

1 **SECTION 117.** 77.54 (38) of the statutes is amended to read:

2 77.54 (38) The ~~gross receipts~~ sales price from the sale of and the storage, use
3 or other consumption of snowmobile trail groomers and attachments for them that
4 are purchased, stored, used or consumed by a snowmobile club that meets at least
5 3 times a year, that has at least 10 members, that promotes snowmobiling and that
6 participates in the department of natural resources' snowmobile program under s.
7 350.12 (4) (b).

8 **SECTION 118.** 77.54 (39) of the statutes is amended to read:

9 77.54 (39) The ~~gross receipts~~ sales price from the sale of and the storage, use
10 or other consumption of off-highway, heavy mechanical equipment such as feller
11 bunchers, slashers, delimbers, chippers, hydraulic loaders, loaders,
12 skidder-forwarders, skidders, timber wagons and tractors used exclusively and
13 directly in the harvesting or processing of raw timber products in the field by a person
14 in the logging business. In this subsection, "heavy mechanical equipment" does not
15 include hand tools such as axes, chains, chain saws and wedges.

16 **SECTION 119.** 77.54 (40) of the statutes is repealed.

17 **SECTION 120.** 77.54 (41) of the statutes is amended to read:

18 77.54 (41) The ~~gross receipts~~ sales price from the sale of building materials,
19 supplies and equipment to; and the storage, use or other consumption of those kinds
20 of property by; owners, contractors, subcontractors or builders if that property is
21 acquired solely for or used solely in, the construction, renovation or development of
22 property that would be exempt under s. 70.11 (36).

23 **SECTION 121.** 77.54 (42) of the statutes is amended to read:

1 77.54 (42) The ~~gross receipts~~ sales price from the sale of and the storage, use
2 or other consumption of animal identification tags provided under s. 93.06 (1h) and
3 standard samples provided under s. 93.06 (1s).

4 **SECTION 122.** 77.54 (43) of the statutes is amended to read:

5 77.54 (43) The ~~gross receipts~~ sales price from the sale of and the storage, use
6 or other consumption of raw materials used for the processing, fabricating or
7 manufacturing of, or the attaching to or incorporating into, printed materials that
8 are transported and used solely outside this state.

9 **SECTION 123.** 77.54 (44) of the statutes is amended to read:

10 77.54 (44) The ~~gross receipts~~ sales price from the collection of public benefits
11 fees that are charged under s. 16.957 (4) (a) or (5) (a).

12 **SECTION 124.** 77.54 (45) of the statutes is amended to read:

13 77.54 (45) The ~~gross receipts~~ sales price from the sale of and the use or other
14 consumption of a onetime license or similar right to purchase admission to
15 professional football games at a football stadium, as defined in s. 229.821 (6), that
16 is granted by a municipality; a local professional football stadium district; or a
17 professional football team or related party, as defined in s. 229.821 (12); if the person
18 who buys the license or right is entitled, at the time the license or right is transferred
19 to the person, to purchase admission to at least 3 professional football games in this
20 state during one football season.

21 **SECTION 125.** 77.54 (46) of the statutes is amended to read:

22 77.54 (46) The ~~gross receipts~~ sales price from the sale of and the storage, use,
23 or other consumption of the U.S. flag or the state flag. This subsection does not apply
24 to a representation of the U.S. flag or the state flag.

25 **SECTION 126.** 77.54 (46m) of the statutes is amended to read:

1 77.54 (46m) The ~~gross receipts~~ sales price from the sale of and the storage, use,
2 or other consumption of telecommunications services, if the telecommunications
3 services are obtained by using the rights to purchase telecommunications services,
4 including purchasing reauthorization numbers, by paying in advance and by using
5 an access number and authorization code; and if the tax imposed under s. 77.52 or
6 77.53 was previously paid on the sale or purchase of such rights.

7 **SECTION 127.** 77.55 (1) (intro.) of the statutes is amended to read:

8 77.55 (1) (intro.) There ~~are~~ is exempted from the computation of the amount
9 of the sales tax the ~~gross receipts~~ sales price from the sale of any tangible personal
10 property or services to:

11 **SECTION 128.** 77.55 (2) of the statutes is amended to read:

12 77.55 (2) There ~~are~~ is exempted from the computation of the amount of the sales
13 tax the ~~gross receipts~~ sales price from sales of tangible personal property to a
14 common or contract carrier, shipped by the seller via the purchasing carrier under
15 a bill of lading whether the freight is paid in advance, or the shipment is made freight
16 charges collect, to a point outside this state and the property is actually transported
17 to the out-of-state destination for use by the carrier in the conduct of its business
18 as a carrier.

19 **SECTION 129.** 77.55 (2m) of the statutes is amended to read:

20 77.55 (2m) There ~~are~~ is exempted from the computation of the amount of sales
21 tax the ~~gross receipts~~ sales price from sales of railroad crossties to a common or
22 contract carrier, shipped wholly or in part by way of the purchasing carrier under a
23 bill of lading, whether the freight is paid in advance or the shipment is made freight
24 charges collect, to a point outside this state if the property is transported to the
25 out-of-state destination for use by the carrier in the conduct of its business as a

1 carrier. Interruption of the shipment for storage, drying, processing or creosoting of
2 the railroad crossties in this state does not invalidate the exemption under this
3 subsection.

4 **SECTION 130.** 77.55 (3) of the statutes is amended to read:

5 77.55 (3) There ~~are~~ is exempted from the computation of the amount of the sales
6 tax the ~~gross receipts~~ sales price from sales of tangible personal property purchased
7 for use solely outside this state and delivered to a forwarding agent, export packer,
8 or other person engaged in the business of preparing goods for export or arranging
9 for their exportation, and actually delivered to a port outside the continental limits
10 of the United States prior to making any use thereof.

11 **SECTION 131.** 77.56 (1) of the statutes is amended to read:

12 77.56 (1) The storage, use or other consumption in this state of property, the
13 ~~gross receipts~~ sales price from the sale of which ~~are~~ is reported to the department in
14 the measure of the sales tax, is exempted from the use tax.

15 **SECTION 132.** 77.57 of the statutes is amended to read:

16 **77.57 Liability of purchaser.** If a purchaser certifies in writing to a seller
17 that the property purchased will be used in a manner or for a purpose entitling the
18 seller to regard the gross receipts from the sale as exempted by this subchapter from
19 the computation of the amount of the sales tax and uses the property in some other
20 manner or for some other purpose, the purchaser is liable for payment of the sales
21 tax. The tax shall be measured by the sales price of the property to the purchaser,
22 ~~but if the taxable use first occurs more than 6 months after the sale to the purchaser,~~
23 ~~the purchaser may use as the measure of the tax either that sales price or the fair~~
24 ~~market value of the property at the time the taxable use first occurs. This subsection~~
25 does not apply to candy, soft drinks, and prepared food; or to disposable products that

1 are transferred with candy, soft drinks, and prepared food; that a restaurant
2 provides to the restaurant's employees during the work hours of the employees.

3 **SECTION 133.** 77.58 (3) (b) of the statutes is amended to read:

4 77.58 (3) (b) ~~For purposes of the sales tax the return shall show the gross~~
5 ~~receipts sales price of the seller during the preceding reporting period. For purposes~~
6 ~~of the use tax, in case of a return filed by a retailer, the return shall show the total~~
7 ~~sales purchase price of the property or taxable services sold, the storage, use or~~
8 ~~consumption of which became subject to the use tax during the preceding reporting~~
9 ~~period. In case of a sales or use tax return filed by a purchaser, the return shall show~~
10 ~~the total sales purchase price of the property and taxable services purchased, the~~
11 ~~storage, use or consumption of which became subject to the use tax during the~~
12 ~~preceding reporting period.~~ The return shall also show the amount of the taxes for
13 the period covered by the return and such other information as the department
14 deems necessary for the proper administration of this subchapter.

15 **SECTION 134.** 77.58 (6) of the statutes is amended to read:

16 77.58 (6) For the purposes of the sales tax gross receipts, the sales price from
17 rentals or leases of tangible personal property shall be reported and the tax paid in
18 accordance with such rules as the department prescribes.

19 **SECTION 135.** 77.58 (6m) of the statutes is created to read:

20 77.58 (6m) The department may, in cases where it is satisfied that an undue
21 hardship would otherwise result, permit the reporting of a sales price or purchase
22 price on some basis other than the accrual basis.

23 **SECTION 136.** 77.585 of the statutes is created to read:

24 **77.585 Return adjustments.** (1) In this section, "bad debt" means the
25 portion of the sales price or purchase price that the seller has reported as taxable

INSERT 52-22 ✓

1 under this subchapter and that the seller may claim as a deduction under section 166
2 of the Internal Revenue Code. “Bad debt” does not include financing charges or
3 interest, sales or use taxes imposed on the sales price or purchase price, uncollectible
4 amounts on property that remains in the seller’s possession until the full sales price
5 or purchase price is paid, expenses incurred in attempting to collect any debt, debts
6 sold or assigned to 3rd parties for collection, and repossessed property.

7 (2) A seller may claim as a deduction on a return under s. 77.58 the amount
8 of any bad debt that the seller writes off as uncollectible in the seller’s books and
9 records and that is eligible to be deducted as bad debt for federal income tax purposes,
10 regardless of whether the seller is required to file a federal income tax return. A
11 seller who claims a deduction under this subsection shall claim the deduction on the
12 return under s. 77.58 that is submitted for the period in which the seller writes off
13 the amount of the deduction as uncollectible in the seller’s books and records and in
14 which such amount is eligible to be deducted as bad debt for federal income tax
15 purposes. If the seller subsequently collects in whole or in part any bad debt for
16 which a deduction is claimed under this subsection, the seller shall include the
17 amount collected in the return filed for the period in which the amount is collected
18 and shall pay the tax with the return.

19 (3) For purposes of computing a bad debt deduction or reporting a payment
20 received on a previously claimed bad debt, any payment made on a debt or on an
21 account is applied first to the price of the property or service sold, and the
22 proportionate share of the sales tax on that property or service, and then to interest,
23 service charges, and other charges related to the sale.

24 (4) A seller may obtain a refund of the tax collected on any bad debt amount
25 deducted under sub. (2) that exceeds the amount of the seller’s taxable sales as

1 provided under s. 77.59 (4), except that the period for making a claim as determined
2 under s. 77.59 (4) begins on the date on which the return on which the bad debt could
3 be claimed would have been required to be submitted to the department under s.
4 77.58.

5 (5) If a seller is using a certified service provider, the certified service provider
6 may claim a bad debt deduction under this section on the seller's behalf if the seller
7 has not claimed and will not claim the same deduction. A certified service provider
8 who receives a bad debt deduction under this section shall credit that deduction to
9 the seller and a certified service provider who receives a refund under this section
10 shall submit that refund to the seller.

11 (6) If a lessor of tangible personal property has reimbursed the vendor for the
12 sales tax on the sale of the property by the vendor to the lessor, the tax due from the
13 lessor on the rental receipts may be offset by a credit equal to the tax otherwise due
14 on the rental receipts from the property for the reporting period. The credit shall
15 expire when the cumulative rental receipts equal the sales price upon which the
16 vendor paid sales taxes to this state.

17 (7) If a purchaser of tangible personal property has reimbursed the vendor of
18 the property for the sales tax on the sale and subsequently, before making any use
19 of the property other than retention, demonstration, or display while holding it for
20 sale or rental, makes a taxable sale of the property, the tax due on the taxable sale
21 may be offset by the tax reimbursed.

22 (8) A seller may claim a deduction on any part of the sales price or purchase
23 price that the seller refunds in cash or credit as a result of returned property or
24 adjustments in the sales price or purchase price after the sale has been completed,
25 if the seller has included the refunded price in a prior return made by the seller and

1 has paid the tax on such price, and if the seller has returned to the purchaser in cash
2 or in credit all tax previously paid by the purchaser on the amount of the refund at
3 the time of the purchase. A deduction under this subsection shall be claimed on the
4 return for the period in which the refund is paid.

5 **SECTION 137.** 77.59 (2m) of the statutes is created to read:

6 **77.59 (2m)** The department may audit, or may authorize others to audit, sellers
7 and certified service providers who are registered with the department pursuant to
8 the agreement, as defined in s. 77.65 (2) (a).

9 **SECTION 138.** 77.59 (9) of the statutes is amended to read:

10 **77.59 (9)** If any person fails to file a return, the department shall make an
11 estimate of the amount of the ~~gross receipts~~ sales price of the ~~person~~ person's sales,
12 or, as the case may be, of the amount of the total sales purchase price of tangible
13 personal property or taxable service sold or purchased by the person, the sale by or
14 the storage, use or other consumption of which in this state is subject to sales or use
15 tax. The estimate shall be made for the period in respect to which the person failed
16 to make a return and shall be based upon any information which is in the
17 department's possession or may come into its possession. Upon the basis of this
18 estimate the department shall compute and determine the amount required to be
19 paid to the state, adding to the sum thus arrived at a penalty equal to 25% thereof.
20 One or more such determinations may be made for one or for more than one period.
21 When a business is discontinued a determination may be made at any time
22 thereafter, within the periods specified in sub. (3), as to liability arising out of that
23 business.

24 **SECTION 139.** 77.59 (9n) of the statutes is created to read:

1 77.59 (9n) No seller or certified service provider is liable for any deficiency or
2 refund under this subchapter that is the result of the seller or certified service
3 provider relying on erroneous information contained in a database maintained
4 under s. 73.03 (59) (a) or (b).

5 **SECTION 140.** 77.59 (9p) (b) of the statutes is created to read:

6 77.59 (9p) (b) If a customer purchases a service that is not subject to 4 USC 116
7 to 126, as amended by P.L. 106–252, or tangible personal property, and if the
8 customer believes that the amount of the tax assessed for the sale of the service or
9 property under this subchapter is erroneous, the customer may request that the
10 seller correct the alleged error by sending a written notice to the seller. The notice
11 shall include a description of the alleged error and any other information that the
12 seller reasonably requires to process the request. Within 60 days from the date that
13 a seller receives a request under this paragraph, the seller shall review its records
14 to determine the validity of the customer's claim. If the review indicates that there
15 is no error as alleged, the seller shall explain the findings of the review in writing to
16 the customer. If the review indicates that there is an error as alleged, the seller shall
17 correct the error and shall refund the amount of any tax collected erroneously, along
18 with the related interest, as a result of the error from the customer, consistent with
19 s. 77.59 (4). A customer may take no other action, or commence any action, to correct
20 an alleged error in the amount of the tax assessed under this subchapter on a service
21 that is not subject to 4 USC 116 to 126, as amended by P.L. 106–252, or tangible
22 personal property, unless the customer has exhausted his or her remedies under this
23 paragraph.

24 **SECTION 141.** 77.59 (9r) of the statutes is created to read:

1 77.59 (9r) With regard to a purchaser's request for a refund under this section,
2 a seller is presumed to have reasonable business practices if the seller uses a certified
3 service provider, a certified automated system, as defined in s. 77.524 (1) (am) or a
4 proprietary system certified by the department to collect the taxes imposed under
5 this subchapter ^{and} if the seller has ~~collected and~~ remitted to the department all taxes
6 ~~imposed~~ ^{collected} under this subchapter, less any deductions, credits, or allowances.

7 **SECTION 142.** 77.60 (13) of the statutes is created to read:

8 77.60 (13) A person who uses any of the following documents in a manner that
9 is prohibited by or inconsistent with this subchapter, or provides incorrect
10 information to a seller or certified service provider related to the use of such
11 documents or regarding an exemption to the taxes imposed under this subchapter,
12 shall pay a penalty of \$250 for each invoice or bill of sale related to the prohibited or
13 inconsistent use or incorrect information:

14 (a) An exemption certificate described under s. 77.52 (13).

15 (b) A direct pay permit under s. 77.52 (17m).

16 (c) A direct mail form, as defined in s. 77.522 (1) (a) 1.

17 (d) ~~A~~ multiple-points-of-use exemption form, as defined in s. 77.522 (1) (a)

18 2.

19 ~~**SECTION 143.** 77.61 (1) (a) of the statutes is renumbered 77.61 (1) (am).~~

20 ~~**SECTION 144.** 77.61 (1) (ag) of the statutes is created to read:~~

21 ~~77.61 (1) (ag) In this subsection, "Wisconsin retailer" means a retailer who~~
22 ~~registers with the department to collect the taxes imposed under this subchapter and~~
23 ~~subch. V.~~

24 ~~**SECTION 145.** 77.61 (1) (b) of the statutes is amended to read:~~

INSERT 58-3

1 77.61 (1) (b) In the case of a motor vehicle, aircraft, boat, or mobile home
2 purchased from a licensed Wisconsin motor vehicle dealer retailer, the registrant
3 shall present proof that the tax has been paid to such dealer retailer.

4 SECTION 146. 77.61 (1) (c) of the statutes is amended to read:

5 77.61 (1) (c) In the case of motor vehicles, boats, snowmobiles, mobile homes
6 not exceeding 45 feet in length, trailers, semitrailers, all-terrain vehicles or aircraft
7 registered or titled, or required to be registered or titled, in this state purchased from
8 persons who are not ~~Wisconsin boat, trailer or semitrailer dealers, licensed~~
9 ~~Wisconsin aircraft, motor vehicle or mobile home dealers or registered Wisconsin~~
10 ~~snowmobile or all-terrain vehicle dealers~~ retailers, the purchaser shall file a sales
11 tax return and pay the tax prior to registering or titling the motor vehicle, boat,
12 snowmobile, mobile home not exceeding 45 feet in length, trailer, semitrailer,
13 all-terrain vehicle or aircraft in this state.

14 SECTION 147. 77.61 (3) of the statutes is repealed.

15 SECTION 148. 77.61 (3m) of the statutes is created to read:

16 77.61 (3m) A retailer shall use a straight mathematical computation to
17 determine the amount of the tax that the retailer may collect from the retailer's
18 customers. The retailer shall calculate the tax amount by combining the applicable
19 tax rates under this subchapter and subch. V and multiplying the combined tax rate
20 by the sales price or purchase price of each item or invoice, as appropriate. The
21 retailer shall calculate the tax amount to the 3rd decimal place, disregard tax
22 amounts of less than 0.5 cent, and consider tax amounts of at least 0.5 cent but less
23 than 1 cent to be an additional cent. The use of a straight mathematical computation,
24 as provided in this subsection, shall not relieve the retailer from liability for payment
25 of the full amount of the tax levied under ss. 77.51 to 77.62.

1 **SECTION 149.** 77.61 (5m) of the statutes is created to read:

2 77.61 (5m) (a) In this subsection, “personally identifiable information” ~~has the~~
3 ~~meaning given in s. 19.62 (5).~~ *means any information that identifies a*
4 ~~person~~

5 (b) A certified service provider may use personally identifiable information as
6 necessary only for the administration of its system to perform a seller’s sales and use
7 tax functions and shall provide consumers clear and conspicuous notice of its practice
8 regarding such information, including how it collects the information, how it uses the
9 information, and under what circumstances it discloses the information.

10 (c) A certified service provider may retain personally identifiable information
11 only to verify exemption claims, to investigate fraud, and to ensure its system’s
12 reliability. A certified service provider who retains an individual’s personally
13 identifiable information shall provide reasonable notice of such retention to the
14 individual and shall provide the individual reasonable access to the information and
15 an opportunity to correct inaccurate information. If any person, other than a state
16 that is a signatory to the agreement, as defined in s. 77.65 (2) (a), requests access to
17 an individual’s personally identifiable information, the certified service provider
18 shall make a reasonable and timely effort to notify the individual of the request.

19 (d) A certified service provider shall provide sufficient technical, physical, and
20 administrative safeguards to protect personally identifiable information from
21 unauthorized access and disclosure.

22 **SECTION 150.** 77.61 (16) of the statutes is created to read:

23 77.61 (16) Any person who remits taxes and files returns under this subchapter
24 may designate ~~a certified service provider~~ *an agent* to remit taxes and file returns with the
25 department in a manner prescribed by the department. *mer* *mch*

~~**SECTION 151.** 77.63 (1) (am) of the statutes is created to read:~~

an agent, as defined in s. 77.524 (1) (ag),

↓
PLAIN
TEXT

INDEX
60-7

1 77.63 (1) (am) A seller of certified service provider who uses a certified
2 automated system, as defined in s. 77.524 (1) (a), or software certified by the
3 department in accordance with the streamlined sales and use tax agreement to
4 collect the sales tax and use tax imposed under this subchapter may retain a portion
5 all such collected taxes in an amount determined by the department and by contracts
6 that the department enters into pursuant to the streamlined sales and use tax
7 agreement.

8 **SECTION 152.** 77.66 of the statutes is created to read:

9 **77.66 Amnesty for new registrants.** (1) A seller is not liable for uncollected
10 and unpaid taxes, including penalties and interest, imposed under this subchapter
11 and subch. V on sales made to purchasers in this state before the seller registers
12 under par. (a), if all of the following apply:

13 (a) The seller registers with the department, in a manner that the department
14 prescribes, to collect and remit the taxes imposed under this subchapter and subch.
15 V on sales to purchasers in this state in accordance with the agreement, as defined
16 in s. 77.65 (2) (a).

17 (b) The seller registers under par. (a) no later than 365 days after the effective
18 date of this state's participation in the agreement under s. 77.65 (2) (a) [revisor
19 inserts date].

20 (c) The seller was not registered to collect and remit the taxes imposed under
21 this subchapter and subch. V during the 365 consecutive days immediately before
22 the effective date of this state's participation in the agreement under s. 77.65 (2) (a)
23 [revisor inserts date].

24 (d) The seller has not received an audit ~~notice~~ ^{a notice of the commencement of} from the department or from a
25 state that is a signatory to the agreement, as defined in s. 77.65 (2) (a) and is not

, if the seller has received a notice of the commencement of an
audit from the department, the

has not been resolved by any means, including any related administrative and judicial processes,
1 ~~Subject to an~~ audit ~~or involved in an appeal of an audit~~, at the time that the seller
2 registers under par. (a). *committed or been involved in a*

3 (e) The seller ~~is~~ *has* not ~~under investigation for~~ *an intentional* fraud or misrepresentation of a
4 material fact *as determined by the department*

5 (f) The seller collects and remits the taxes imposed under this subchapter and
6 subch. V on sales to purchasers in this state for at least 3 consecutive years after the
7 date on which the seller registers under par. (a).

8 (2) Subsection (1) does not apply to taxes imposed under this subchapter and
9 subch. V that are due from the seller for purchases made by the seller.

10 ~~(3) The statute of limitations for determining a tax liability under s. 77.39 (3)~~
11 ~~shall not run during the 3 years described under sub. (1) (f)~~

12 **SECTION 153.** 77.70 of the statutes is amended to read:

13 **77.70 Adoption by county ordinance.** Any county desiring to impose county
14 sales and use taxes under this subchapter may do so by the adoption of an ordinance,
15 stating its purpose and referring to this subchapter. The county sales and use taxes
16 may be imposed only for the purpose of directly reducing the property tax levy and
17 only in their entirety as provided in this subchapter. That ordinance shall be
18 effective on the first day of January, the first day of April, the first day of July or the
19 first day of October. A certified copy of that ordinance shall be delivered to the
20 secretary of revenue at least 120 days prior to its effective date. The repeal of any
21 such ordinance shall be effective on December 31. A certified copy of a repeal
22 ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before
23 the effective date of the repeal.

24 **SECTION 154.** 77.705 of the statutes is amended to read:

1 **77.705 Adoption by resolution; baseball park district.** A local
2 professional baseball park district created under subch. III of ch. 229, by resolution
3 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at
4 a rate of no more than 0.1% of the gross receipts or sales price. Those taxes may be
5 imposed only in their entirety. The resolution shall be effective on the first day of the
6 ~~first month~~ January 1, April 1, July 1, or October 1 that begins at least ~~30~~ 120 days
7 after the adoption of the resolution.

8 **SECTION 155.** 77.706 of the statutes is amended to read:

9 **77.706 Adoption by resolution; football stadium district.** A local
10 professional football stadium district created under subch. IV of ch. 229, by
11 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this
12 subchapter at a rate of 0.5% of the gross receipts or sales price. Those taxes may be
13 imposed only in their entirety. The imposition of the taxes under this section shall
14 be effective on the first day of the ~~first month~~ January 1, April 1, July 1, or October
15 1 that begins at least ~~30~~ 120 days after the certification of the approval of the
16 resolution by the electors in the district's jurisdiction under s. 229.824 (15).

17 **SECTION 156.** 77.707 (1) of the statutes is amended to read:

18 **77.707 (1)** Retailers and the department of revenue may not collect a tax under
19 s. 77.705 for any local professional baseball park district created under subch. III of
20 ch. 229 after the last day of the calendar quarter during that is at least 120 days from
21 the date on which the local professional baseball park district board makes a
22 certification to the department of revenue under s. 229.685 (2), except that the
23 department of revenue may collect from retailers taxes that accrued before the day
24 after the last day of that calendar quarter and fees, interest and penalties that relate
25 to those taxes.

1 **SECTION 157.** 77.707 (2) of the statutes is amended to read:

2 77.707 (2) Retailers and the department of revenue may not collect a tax under
3 s. 77.706 for any local professional football stadium district created under subch. IV
4 of ch. 229 after the last day of the calendar quarter during that is at least 120 days
5 from the date on which the local professional football stadium district board makes
6 all of the certifications to the department of revenue under s. 229.825 (3), except that
7 the department of revenue may collect from retailers taxes that accrued before the
8 day after the last day of that calendar quarter and fees, interest and penalties that
9 relate to those taxes.

10 **SECTION 158.** 77.71 (1) of the statutes is amended to read:

11 77.71 (1) For the privilege of selling, licensing, leasing or renting tangible
12 personal property and for the privilege of selling, performing or furnishing services
13 a sales tax is imposed upon retailers at the rate of 0.5% in the case of a county tax
14 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the gross
15 ~~receipts~~ sales price from the sale, licensing, lease or rental of tangible personal
16 property, except property taxed under sub. (4), sold, licensed, leased or rented at
17 retail in the county or special district or from selling, performing or furnishing
18 services described under s. 77.52 (2) in the county or special district.

19 **SECTION 159.** 77.71 (2) of the statutes is amended to read:

20 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax
21 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
22 purchase price upon every person storing, using or otherwise consuming in the
23 county or special district tangible personal property or services if the property or
24 service is subject to the state use tax under s. 77.53, except that a receipt indicating
25 that the tax under sub. (1), (3) or (4) has been paid relieves the buyer of liability for

1 the tax under this subsection and except that if the buyer has paid a similar local tax
2 in another state on a purchase of the same property or services that tax shall be
3 credited against the tax under this subsection and except that for motor vehicles that
4 are used for a purpose in addition to retention, demonstration or display while held
5 for sale in the regular course of business by a dealer the tax under this subsection
6 is imposed not on the sales purchase price but on the amount under s. 77.53 (1m).

7 **SECTION 160.** 77.71 (3) of the statutes is amended to read:

8 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
9 activities within the county or special district, at the rate of 0.5% in the case of a
10 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
11 of the sales purchase price of tangible personal property that is used in constructing,
12 altering, repairing or improving real property and that becomes a component part
13 of real property in that county or special district, except that if the contractor has
14 paid the sales tax of a county in the case of a county tax or of a special district in the
15 case of a special district tax in this state on that property, or has paid a similar local
16 sales tax in another state on a purchase of the same property, that tax shall be
17 credited against the tax under this subsection.

18 **SECTION 161.** 77.71 (4) of the statutes is amended to read:

19 77.71 (4) An excise tax is imposed at the rate of 0.5% in the case of a county tax
20 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
21 purchase price upon every person storing, using or otherwise consuming a motor
22 vehicle, boat, ~~snowmobile~~, mobile home not exceeding 45 feet in length, ~~trailer,~~
23 ~~semitrailer, all-terrain vehicle~~ or aircraft, if that property must be registered or
24 titled with this state and if that property is to be customarily kept in a county that
25 has in effect an ordinance under s. 77.70 or in a special district that has in effect a

1 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local
2 sales tax in another state on a purchase of the same property that tax shall be
3 credited against the tax under this subsection.

4 **SECTION 162.** 77.72 (title) of the statutes is repealed.

5 **SECTION 163.** 77.72 (1) of the statutes is renumbered 77.72 and amended to
6 read:

7 **77.72 General rule for property.** For the purposes of this subchapter, all
8 retail sales of tangible personal property ~~are completed at the time when, and the~~
9 ~~place where, the seller or the seller's agent transfers possession to the buyer or the~~
10 ~~buyer's agent. In this subsection, a common carrier or the U.S. postal service is the~~
11 ~~agent of the seller, regardless of any f.o.b. point and regardless of the method by~~
12 ~~which freight or postage is paid. Rentals and leases of property, except property~~
13 ~~under sub. (2), have a situs at the location of that property~~ as provided in s. 77.522.

14 **SECTION 164.** 77.72 (2) and (3) of the statutes are repealed. and taxable services
occur

15 **SECTION 165.** 77.77 (1) of the statutes is amended to read:

16 77.77 (1) The gross receipts sales price from services subject to the tax under
17 s. 77.52 (2) are ~~is not~~ subject to the taxes under this subchapter, and the incremental
18 amount of tax caused by a rate increase or decrease applicable to those services is ~~not~~ due, if those
19 ~~services are billed to the customer and paid for before~~ the effective date of the county
20 ordinance, special district resolution ² for rate increase, whether the service is
21 furnished to the customer before or after that date. regardless of
or decrease

22 **SECTION 166.** 77.785 (1) of the statutes is amended to read:

23 77.785 (1) All retailers shall collect and report the taxes under this subchapter
24 on the gross receipts sales price from leases and rentals of property under s. 77.71

25 (4).

beginning with the billing period starting
on or after

1 **SECTION 167.** 77.785 (2) of the statutes is amended to read:

2 77.785 (2) Prior to registration or titling, a retailer of a boat, ~~all-terrain vehicle,~~
3 ~~trailer and semi-trailer dealers and licensed aircraft,~~ motor vehicle, or mobile home
4 ~~and snowmobile dealers~~ shall collect the taxes under this subchapter on sales of
5 items under s. 77.71 (4). The ~~dealer~~ retailer shall remit those taxes to the
6 department of revenue along with payments of the taxes under subch. III.

7 **SECTION 168.** 77.98 of the statutes is amended to read:

8 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may
9 impose a tax on the retail sale, except sales for resale, within the district's
10 jurisdiction under s. 229.43 of products that are subject to a tax under s. 77.54 (20)
11 (c) 1. to 3., 2001 stats., and not exempt from the sales tax under s. 77.54 (1), 2001
12 stats., s. 77.54 (4), 2001 stats., s. 77.54 (7) (a), 2001 stats., s. 77.54 (7m), 2001 stats.,
13 s. 77.54 (9), 2001 stats., s. 77.54 (9a), 2001 stats., or s. 77.54 (20) (c) 5., 2001 stats.

14 **SECTION 169.** 77.981 of the statutes is amended to read:

15 **77.981 Rate.** The tax under s. 77.98 is imposed on the sale of taxable products
16 at the rate of 0.25% of the ~~gross receipts~~ sales price, except that the district, by a vote
17 of a majority of the authorized members of its board of directors, may impose the tax
18 at the rate of 0.5% of the ~~gross receipts~~ sales price. A majority of the authorized
19 members of the district's board may vote that, if the balance in a special debt service
20 reserve fund of the district is less than the requirement under s. 229.50 (5), the tax
21 rate under this subchapter is 0.5%. The 0.5% rate shall be effective on the next
22 January 1, April 1, July 1 or October 1, and this tax is irrepealable if any bonds issued
23 by the district and secured by the special debt service reserve fund are outstanding.

24 **SECTION 170.** 77.982 (2) of the statutes is amended to read:

77.585,

Keep
CommaStrike
Comma

77.982 (2) Sections 77.51 (4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d), (14) (a) to (f) (j) and (k) and (14g), and (15a), 77.52 (3), (6), (13), (14), (18), and (19), 77.522,

77.58 (1) to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62,

as they apply to the taxes under subch. III, apply to the tax under this subchapter.

Sections 77.72 (1) and 77.73, as they apply to the taxes under subch. V, apply to the tax under this subchapter.

SECTION 171. 77.99 of the statutes is amended to read:

77.99 Imposition. A local exposition district under subch. II of ch. 229 may impose a tax at the rate of 3% of the gross receipts sales price on the rental, but not for rental and not for rental as a service or repair replacement vehicle, within the district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by establishments primarily engaged in short-term rental of passenger cars without drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's authorized board of directors may vote to increase the tax rate under this subchapter to 4%.

SECTION 172. 77.991 (2) of the statutes is amended to read:

77.991 (2) Sections 77.51 (4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and (14) (a) to (f) (j) and (k) and (15a), 77.52 (4), (6), (13), (14), and (18), 77.58 (1) to (5) and (7),

77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they apply to the taxes under subch. III, apply to the tax under this subchapter. Sections 77.72 (1),

2001 stats., and 77.72 (2) (a), 2001 stats., and s. 77.73, as they apply to the taxes under subch. V, apply to the tax under this subchapter. The renter shall collect the

tax under this subchapter from the person to whom the passenger car is rented.

and

Strike
Comma

1 **SECTION 173.** 77.994 (1) (intro.) of the statutes is amended to read:

2 77.994 (1) (intro.) Except as provided in sub. (2), a municipality or a county all
3 of which is included in a premier resort area under s. 66.1113 may, by ordinance,
4 impose a tax at a rate of 0.5% of the ~~gross receipts~~ sales price from the sale, license,
5 lease, or rental in the municipality or county of goods or services that are taxable
6 under subch. III made by businesses that are classified in the standard industrial
7 classification manual, 1987 edition, published by the U.S. office of management and
8 budget, under the following industry numbers:

9 **SECTION 174.** 77.9941 (4) of the statutes is amended to read:

10 77.9941 (4) Section 77.59 (9p) (b), as it applies to the taxes under subch. III,
11 applies to the tax under this subchapter. Sections 77.72 (1), 2001 stats., 77.72 (2) (a),
12 2001 stats., and 77.72 (3) (a), 2001 stats., and ss. 77.73, 77.74, 77.75, 77.76 (1), (2),
13 and (4), 77.77 (1) and (2), 77.785 (1), and 77.79, as they apply to the taxes under
14 subch. V, apply to the tax under this subchapter.

15 **SECTION 175.** 77.995 (2) of the statutes is amended to read:

16 77.995 (2) There is imposed a fee at the rate of 3%, or 5% for the rental of
17 limousines, of the ~~gross receipts~~ sales price on the rental, but not for rerental and not
18 for rental as a service or repair replacement vehicle of Type 1 automobiles, as defined
19 in s. 340.01 (4) (a); of mobile homes, as defined in s. 340.01 (29); of motor homes, as
20 defined in s. 340.01 (33m); and of camping trailers, as defined in s. 340.01 (6m) by
21 establishments primarily engaged in short-term rental of vehicles without drivers,
22 for a period of 30 days or less, unless the sale is exempt from the sales tax under s.
23 77.54 (1), (4), (7) (a), (7m) or (9a).

24 **SECTION 176.** 77.9951 (2) of the statutes is amended to read:

1 77.9951 (2) Sections 77.51 (4) (a), (b) 1., 2. and 4., (c) 1. to 3. and (d) and (14)
 2 (a) to (f), (j) and (k) and (15a), 77.52 (4), (6), (13), (14), and (18), 77.58 (1) to (5) and
 3 (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they apply to
 4 the taxes under subch. III, apply to the fee under this subchapter. The renter shall
 5 collect the fee under this subchapter from the person to whom the vehicle is rented.

6 **SECTION 177.** 86.195 (3) (b) 3. of the statutes is amended to read:

7 86.195 (3) (b) 3. Fifty percent of the gross receipts of the business are from meal,
 8 food, the sale of food product and beverage sales and food ingredients, as defined in
 9 s. 77.51 (3t), that are taxable under s. 77.54 (20) (e) subch. III of ch. 77; and

10 **SECTION 178.** 218.0171 (2) (cq) of the statutes is amended to read:

11 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,
 12 the manufacturer shall provide to the consumer a written statement that specifies
 13 the trade-in amount previously applied under s. 77.51 (4) (b) 3. or 3m. or (15) (b) 4.
 14 or 4m. (12m) (b) 5. or 6. or (15a) (b) 5. or 6. toward the sales price of the motor vehicle
 15 having the nonconformity and the date on which the manufacturer provided the
 16 refund.

17 **SECTION 9145. Nonstatutory provisions; revenue.**

18 (1) THE STREAMLINED SALES AND USE TAX AGREEMENT. The department of revenue
 19 shall notify the revisor of statutes of the effective date of this state's participation in
 20 the streamlined sales and use tax agreement, as described in section 77.65 of the
 21 statutes, no later than 30 days after such effective date is determined.

22 **SECTION 9245. Appropriation changes; revenue.**

23 (1) ADMINISTRATIVE COSTS RELATED TO THE STREAMLINED SALES AND USE TAX
 24 AGREEMENT. In the schedule under section 20.005 (3) of the statutes for the
 25 appropriation to the department of revenue under section 20.566 (1) (a) of the

1 statutes, as affected by the acts of 2003, the dollar amount is increased by \$25,000
2 for fiscal year 2003–04 and the dollar amount is increased by \$25,000 for fiscal year
3 2004–05 to pay for administrative costs related to the streamlined sales and use tax
4 agreement.

5 ~~9~~ SECTION ~~9245~~ **Effective dates; revenue**

6 ~~9~~ (1) ~~IMPLEMENTING THE STREAMLINED SALES AND USE TAX AGREEMENT. The repeal~~
7 of sections 77.51 (4), 77.51 (14) (d), 77.51 (14) (j), 77.51 (14r), 77.51 (15), 77.52 (6),
8 77.52 (14) (a) 2., 77.523 (title), 77.53 (4), 77.54 (14g), 77.54 (14s), 77.54 (20), 77.54
9 (20m), 77.54 (22), 77.54 (28), 77.54 (40), 77.61 (3), 77.72 (title), and 77.72 (2) and (3)
10 of the statutes, the renumbering of sections 77.51 (1), 77.524 (1) (b), and 77.61 (1) (a)
11 of the statutes, the renumbering and amendment of sections 77.52 (1), 77.523, and
12 77.72 (1) of the statutes, the consolidation, renumbering, and amendment of section
13 77.52 (14) (a) (intro.) and 1. and (b) of the statutes, the amendment of sections
14 66.0615 (1m) (f) 2., 70.111 (23), 73.03 (50) (d), 76.07 (4g) (b) 8., 77.51 (13) (o), 77.51
15 (14) (intro.), 77.51 (17), 77.51 (20), 77.51 (21), 77.52 (2) (intro.), 77.52 (2) (a) 10., 77.52
16 (7), 77.52 (13), 77.52 (15), 77.53 (1), 77.53 (9), 77.53 (9m), 77.53 (10), 77.53 (11), 77.53
17 (16), 77.53 (17), 77.53 (17m), 77.53 (17r) (a), 77.53 (18), 77.54 (1), 77.54 (2), 77.54
18 (2m), 77.54 (3) (a), 77.54 (3m) (intro.), 77.54 (4), 77.54 (5) (intro.), 77.54 (6) (intro.),
19 77.54 (8), 77.54 (9), 77.54 (9a) (intro.), 77.54 (10), 77.54 (11), 77.54 (12), 77.54 (13),
20 77.54 (14) (intro.), 77.54 (14) (a), 77.54 (14) (b), 77.54 (14) (f), 77.54 (15), 77.54 (16),
21 77.54 (17), 77.54 (18), 77.54 (21), 77.54 (23m), 77.54 (25), 77.54 (26), 77.54 (26m),
22 77.54 (27), 77.54 (29), 77.54 (30) (a) (intro.), 77.54 (30) (c), 77.54 (31), 77.54 (32), 77.54
23 (33), 77.54 (34), 77.54 (35), 77.54 (36), 77.54 (37), 77.54 (38), 77.54 (39), 77.54 (41),
24 77.54 (42), 77.54 (43), 77.54 (44), 77.54 (45), 77.54 (46), 77.54 (46m), 77.55 (1) (intro.),
25 77.55 (2), 77.55 (2m), 77.55 (3), 77.56 (1), 77.57, 77.58 (3) (b), 77.58 (6), 77.59 (9), 77.61

(1) (b), ~~77.61 (1) (c), 77.70, 77.705, 77.706, 77.707 (1), 77.707 (2), 77.71 (1), 77.71 (2),~~
~~77.71 (3), 77.71 (4), 77.77 (1), 77.785 (1), 77.785 (2), 77.98, 77.981, 77.982 (2), 77.99,~~
~~77.991 (2), 77.994 (1) (intro.), 77.9941 (4), 77.995 (2), 77.9951 (2), 86.195 (3) (b) 3., and~~
~~218.0171 (2) (eq) of the statutes, the repeal and recreation of section 77.51 (7) of the~~
~~statutes, and the creation of sections 73.03 (50b), 73.03 (59), 77.51 (1b), 77.51 (1e),~~
~~77.51 (1n), 77.51 (1p), 77.51 (2k), 77.51 (2m), 77.51 (3p), 77.51 (3pd), 77.51 (3pj), 77.51~~
~~(3pm), 77.51 (3pp), 77.51 (3t), 77.51 (7m), 77.51 (10m), 77.51 (10n), 77.51 (10r), 77.51~~
~~(11m), 77.51 (12m), 77.51 (12p), 77.51 (13s), 77.51 (15a), 77.51 (17w), 77.51 (22) (bm),~~
~~77.51 (21p), 77.52 (1) (b), 77.52 (1) (c), 77.52 (7b), 77.522, 77.54 (20n), 77.54 (22b),~~
~~77.58 (6m), 77.585, 77.59 (2m), 77.59 (9n), 77.59 (9p) (b), 77.59 (9r), 77.60 (13), 77.61~~
~~(1) (ag), 77.61 (3m), 77.61 (5m), 77.61 (16), 77.63 (1) (am), and 77.66 of the statutes~~

~~take~~ effect on the first day of the 3rd month beginning after publication.

(END)

This act takes

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2028/P1ins
JK:.....

Insert 4 - 6 ✓

(c) Consistent with the agreement, as defined in s. 77.65 (2) (a)✓, establish performance standards and eligibility criteria for a seller that sells tangible personal property or taxable services in at least 5 states that are signatories to the agreement, as defined in s. 77.65 (2) (a); that has total annual sales revenue of at least \$500,000,000; that has a proprietary system that calculates the amount of tax owed to each taxing jurisdiction in which the seller sells tangible personal property or taxable services; and that has entered into a performance agreement with the states that are signatories to the agreement, as defined in s. 77.65 (2) (a). For purposes of this paragraph, "seller" includes an affiliated group of sellers using the same proprietary system to calculate the amount of tax owed in each taxing jurisdiction in which the sellers sell tangible personal property or taxable services.

Insert 4 - 17 ✓

(g) Set forth the information that the seller shall provide to the department for tax exemptions claimed by purchasers and establish the manner in which a seller shall provide such information to the department.

(h) Provide monetary allowances, in addition to the retailer's discount provided under s. 77.61 (4) (c)✓, to certified service providers, as defined in s. 77.51 (1g)✓, and sellers that use certified automated systems, as defined in s. 77.524 (1) (am)✓, or proprietary systems, pursuant to the agreement as defined in s. 77.65 (2) (a)✓.

Insert 8 - 3✓

SECTION 1. 77.51 (5) of the statutes is amended to read:

77.51 (5) For purposes of subs. (13) (e) and (f) and ~~(14) (L)~~ ^{(15a)✓} and s. 77.52 (2m)✓, "incidental" means depending upon or appertaining to something else as

1 primary; something necessary, appertaining to, or depending upon another which is
2 termed the principal; something incidental to the main purpose of the service.
3 Tangible personal property transferred by a service provider is incidental to the
4 service if the purchaser's main purpose or objective is to obtain the service rather
5 than the property, even though the property may be necessary or essential to
6 providing the service.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102.

Insert 8 - 9 ✓

7 77.51 (7) (a) "Lease or rental" means any transfer of possession or control of
8 tangible personal property for a fixed or indeterminate term and for consideration
9 and includes:

- 10 1. A transfer that includes future options to purchase or extend.
- 11 2. Agreements related to the transfer of possession or control of motor vehicles
12 or trailers, if the amount of any consideration may be increased or decreased by
13 reference to the amount realized on the sale or other disposition of such motor
14 vehicles or trailers, consistent with section 7701 (h) (1) of the Internal Revenue Code.

Insert 8 - 22 ✓

15 (c) 1. Transfers described under par. (a) are considered a lease or rental,
16 regardless of whether such transfer is considered a lease or rental under generally
17 accepted accounting principles, or any provision of federal or local law, or any other
18 provision of state law.

19 2. Transfers described under par. (b) are not considered a lease or rental,
20 regardless of whether such transfer is considered a lease or rental under generally

1 accepted accounting principles, or any provision of federal or local law, or any other
2 provision of state law.

Insert 14 - 6 ✓

3 **SECTION 2.** 77.51 (14) (a) of the statutes is amended to read:

4 77.51 (14) (a) Any sale at an auction in respect to tangible personal property
5 which is sold to a successful bidder. ~~The proceeds from the sale of property sold at~~
6 ~~auction which is bid in by the seller and on which title does not pass to a new~~
7 ~~purchaser shall be deducted from the gross proceeds of the sale and the tax paid only~~
8 ~~on the net proceeds.~~

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102.

Insert 14 - 7 ✓

9 **SECTION 3.** 77.51 (14) (i) ✓ of the statutes is repealed.

10 **SECTION 4.** 77.51 (14) (j) of the statutes is amended to read:

11 77.51 (14) (j) The granting of possession of tangible personal property by a
12 lessor to a lessee, or to another person at the direction of the lessee. Such a
13 transaction is deemed a continuing sale in this state ~~by the lessor for the duration~~
14 ~~of the lease as respects any period of time the leased property is situated in this state,~~
15 ~~irrespective of the time or place of delivery of the property to the lessee or such other~~
16 ~~person.~~

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102.

17 **SECTION 5.** 77.51 (14) (k) ✓ of the statutes is repealed.

18 **SECTION 6.** 77.51 (14) (L) ✓ of the statutes is repealed.

Insert 14 - 10 ✓

19 **SECTION 7.** 77.51 (15a) ✓ of the statutes is created to read:

77.51 (15a) (a) "Sales, lease, or rental for resale, sublease, or subrent" includes transfers by a service provider in conjunction with but not incidental to the selling, performing, or furnishing of any service, and transfers by a service provider selling, performing, or furnishing services under s. 77.52 (2) (a) 7., 10., 11., and 20. This paragraph does not apply to sub. (2).

any of the following

(b) "Sales, lease, or rental for resale, sublease, or subrent" does not include:

1. The sale of building materials, supplies, and equipment to owners, contractors, subcontractors, or builders for use in real property construction activities or the alteration, repair, or improvement of real property, regardless of the quantity of such materials, supplies, and equipment sold.

2. Any sale of tangible personal property to a purchaser even though such property may be used or consumed by some other person to whom such purchaser transfers the tangible personal property without valuable consideration, such as gifts, and advertising specialties distributed gratis apart from the sale of other tangible personal property or service.

3. Transfers by a service provider of tangible personal property in conjunction with the selling, performing, or furnishing of any service, if the tangible personal property is incidental to the service, unless the service provider is selling, performing, or furnishing services under s. 77.52 (2) (a) 7., 10., 11., and 20. This subdivision does not apply to sub. (2).

Insert 16 - 18

SECTION 8. 77.51 (17m) of the statutes is repealed and recreated to read:

77.51 (17m) "Service address" means any of the following:

1 (a) The location of the telecommunications equipment to which a customer's
2 telecommunications service is charged and from which the telecommunications
3 service originates or terminates, regardless of where the telecommunications service
4 is billed or paid.

5 (b) If the location described under par. (a) is not known by the seller who sells
6 the telecommunications service, the location where the signal of the
7 telecommunications service originates, as identified by the seller's
8 telecommunications system or, if the signal is not transmitted by the seller's
9 telecommunications system, by information that the seller received from the seller's
10 service provider.

11 (c) If the ~~location~~ ^{locations} described under pars. (a) and (b) ^{are} are not known by the seller
12 who sells the telecommunications service, the customer's place of primary use.

Insert 32 - 12 ✓

13 **SECTION 9.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

14 **SECTION 10.** 77.524 (1) (ag) of the statutes is created to read:

15 77.524 (1) (ag) "Agent" means a person appointed by a seller to represent the
16 seller before the states that are signatories to the agreement, as defined in 77.65 (2)
17 (a).

Insert 33 - 21 ✓

18 **SECTION 11.** 77.53 (3) of the statutes is amended to read:

19 77.53 (3) Every retailer engaged in business in this state and making sales of
20 tangible personal property or taxable services ~~for delivery into~~ in this state or with
21 knowledge directly or indirectly that the property or service is intended for storage,
22 use or other consumption in this state, shall, at the time of making the sales or, if the

1 storage, use or other consumption of the tangible personal property or taxable service
2 is not then taxable under this section, at the time the storage, use or other
3 consumption becomes taxable, collect the tax from the purchaser and give to the
4 purchaser a receipt in the manner and form prescribed by the department.

History: 1971 c. 125, 211; 1977 c. 29, 418; 1979 c. 1, 174; 1981 c. 317; 1983 a. 2; 1985 a. 29; 1987 a. 27, 268, 399; 1991 a. 39, 316; 1993 a. 16, 112; 1995 a. 27, 209; 1997 a. 27, 41, 237; 1999 a. 31; 2001 a. 109.

Insert 34 - 17 ✓

5 **SECTION 12.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a).

6 **SECTION 13.** 77.53 (9m) (b) of the statutes is created to read:

7 77.53 (9m) (b) Any person who may register under par. (a) may designate an
8 agent, as defined in s. 77.524 (1) (ag)✓, to register with the department under par. (a),
9 in the manner prescribed by the department.

10 **SECTION 14.** 77.53 (9m) (c) of the statutes is created to read:

11 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise
12 required to collect any tax imposed by this subchapter shall not be used as a factor
13 in determining whether the seller has nexus✓ with this state for any tax at any time.

Insert 41 - 19 ✓

14 **SECTION 15.** 77.54 (14b) of the statutes is created to read:

15 77.54 (14b) The sales price from the sales of and the storage, use, or other
16 consumption of bandages, dressings, syringes, and similar items that are bundled
17 together with drugs that are exempt under sub. (14)✓ for sale by the seller as a single
18 product or piece of merchandise.

Insert 52 - 22 ✓

19 **SECTION 16.** 77.58 (9a) of the statutes is created to read:

20 77.58 (9a) In addition to filing a return as provided in this section, a person
21 described under s. 77.524 (3), (4), or (5)✓ shall provide to the department any

Insert 55 – 4

Insert 58 – 3

History: 1971 c. 125; 1975 c. 186, 224; 1977 c. 29, 200, 418; 1979 c. 89, 125, 174; 1981 c. 20; 1983 a. 189 s. 329 (12); 1983 a. 405; 1983 a. 544 s. 47 (1); 1985 a. 29, 41; 1987 a. 27, 92, 119, 246; 1989 a. 31, 122, 359; 1991 a. 39, 269, 316; 1993 a. 205, 399; 1995 a. 27, 233, 280; 1997 a. 27, 191, 237; 1999 a. 83; 2001 a. 44, 103.

Insert 60 – 7

1. A certified service provider.
- ✓ 2. A seller that uses a certified automated system, as defined in s. 77.524 (1) (am).

1 3. A seller that sells tangible personal property or taxable services in at least
2 5 states that are signatories to the agreement, as defined in s. 77.65 (2) (a); that has
3 total annual sales revenue of at least \$500,000,000; that has a proprietary system
4 that calculates the amount of tax owed to each taxing jurisdiction in which the seller
5 sells tangible personal property or taxable services; and that has entered into a
6 performance agreement with the states that are signatories to the agreement, as
7 defined in s. 77.65 (2) (a). For purposes of this ~~paragraph~~ *subdivision*, "seller" includes an
8 affiliated group of sellers using the same proprietary system to calculate the amount
9 of tax owed in each taxing jurisdiction in which the sellers sell tangible personal
10 property or taxable services.

11 **SECTION 19.** 77.65 (2) (e) of the statutes is amended to read:

12 77.65 (2) (e) "Seller" means any person who sells, leases, or rents tangible
13 personal property or services.

History: 2001 a. 16.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2028/P1dn

JK:.....
Kmg

Please review this draft carefully to ensure that it is consistent with your intent.
Please contact me if you have any questions.

I did not use the word "recertify" in s.73.03 (59) (a) because I think the concept of "recertifying" compliance is covered by giving the department the authority to "certify" compliance. If the department must "recertify" a seller's compliance to the agreement, then the department is again "certifying" the seller's compliance.

Please review my treatment of s. 77.77 (1). I am still not completely sure what it is you want to accomplish by amending that section. *that*

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

INS. 33-9

Section #. 77.524 (1) (intro.) of the statutes is amended to read:

77.524 (1) (intro.) In this ~~subsection~~ section:

History: 2001 a. 16.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2028/P1dn

JK:kmg:cph

March 5, 2003

Please review this draft carefully to ensure that it is consistent with your intent. Please contact me if you have any questions.

I did not use the word "recertify" in s.73.03 (59) (a) because I think the concept of "recertifying" compliance is covered by giving the department the authority to "certify" compliance. If the department must "recertify" a seller's compliance to the agreement, then the department is again "certifying" the seller's compliance.

Please review my treatment of s. 77.77 (1). I am still not completely sure what it is that you want to accomplish by amending that section.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2028/P1dn
JK:kmg:cph

March 5, 2003

To Joe Kreye - 3rd Draft
3/17/03

Please review this draft carefully to ensure that it is consistent with your intent. Please contact me if you have any questions.

I did not use the word "recertify" in s.73.03 (59) (a) because I think the concept of "recertifying" compliance is covered by giving the department the authority to "certify" compliance. If the department must "recertify" a seller's compliance to the agreement, then the department is again "certifying" the seller's compliance.

Please review my treatment of s. 77.77 (1). I am still not completely sure what it is that you want to accomplish by amending that section.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

Insert 1

77.585(f) If a bad debt under (a) relates to retail sales of tangible personal property or taxable services that occurred in this state and one or more other states as determined under s. 77.522, the total bad debt shall be apportioned among the states in a manner prescribed by the department to arrive at the deduction under par. (b).

Insert 2

77.522(4) Florists. (a) Until December 31, 2005, the sale of tangible personal property by a retail florist who takes an order from a purchaser that it forwards to another retail florist at a different location who will transfer the tangible personal property to a person identified by the purchaser occurs at the location where the retail florist took the order from the purchaser.

(b) For purposes of this subsection, "retail florist" means a person engaged in the business of selling cut flowers, floral arrangements, and potted plants that usually prepares the flowers, arrangements, and plants they sell. A retail florist does not include a person who primarily sells flowers, floral arrangements, and potted plants based on orders received via the Internet or mail.

Insert 3

(Note to Joe - Renumber 77.61(2) to (2)(a) and create (2)(b) below. Use the first part of par. (a) as an intro. to sub. (2) (e.g., "In order to protect the revenues of this state..."). Paragraph (a) would apply to all persons except certified service providers and par. (b) would apply only to certified service providers.)

(b) A certified service provider that has contracted with sellers and filed an application to collect and remit sales and use taxes under this subchapter on behalf of sellers shall file a surety bond with the department, payable to the department of revenue, to guarantee the payment of sales and use taxes, together with any penalties and interest thereon. The department shall approve the form and contents of such bond. The amount of the bond shall be determined by the department. Such surety bond must be filed within 60 days after the department notifies the certified service provider that it is registered to collect sales or use tax under this subchapter. If the department concludes that no bond is necessary to protect the tax revenues of the state, the requirements under this subsection may be waived by the secretary of revenue or the secretary's designated departmental representative. The bond shall remain in force until the liability thereunder is released by the secretary or the secretary's designated departmental representative.

Insert 4

77.54(20r) The sales price from the sale of and the storage, use, or other consumption of candy, soft drinks, dietary supplements, and prepared food, and disposable products that are transferred with such items, furnished for no consideration by a restaurant to the restaurant's employee during the employee's work hours.

Kreye, Joseph

From: Gibbons, Vicki L
Sent: Thursday, June 05, 2003 11:19 AM
To: Kreye, Joseph
Cc: Gates-Hendrix, Sherrie; Hardt, Diane L; Ourada, Thomas D
Subject: SSTP Bill - LRB 2028/1

Joe,

I need the following changes made the LRB 2028/1:

- Page 4 - Section 1. Repeal sec. 20.435(3)(bm). We removed the payment requirement in sec. 77.63. Therefore, the appropriation should also be removed.
- Page 10 - Section 19. Delete the definition of durable medical equipment.
- Page 50 - Section 118, Remove durable medical equipment from the exemption in 77.54(22b)
- Page 50 - Section 118, Insert "for human beings" at the end of the exemption thereby requiring that the prosthetic devices and mobility enhancing equipment be for human beings for exemption to apply. Prosthetics and mobility enhancing equipment for animals would not be exempt under this section.
- Page 61 - Section 155. Add (6) to read as follows:

"For purposes of the sales tax, if a retailer establishes to the satisfaction of the department that the sales tax imposed by this subchapter has been added to the total amount of the sales price and has not been absorbed by the retailer, the total amount of the sales price shall be the amount received exclusive of the sales tax imposed."

This language is currently in sec. 77.51(4)(a)4.

We are meeting next week Thursday with Representative Lehman and others. Is it possible to get a draft back by next Wednesday morning?

Thanks.

Vicki L. Gibbons
Wisconsin Department of Revenue
Mail Stop #6-40
P.O. Box 8933
Madison, WI 53708
(608) 266-3873
vgibbons@dor.state.wi.us